

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

**Robert Van Sile
357 Lake Shore Drive
Grosse Pointe Farms, Michigan 48236,**

Enforcement Case No. 05-3606

Respondent.

_____ /

**Issued and entered,
this 20th day of September, 2005,
by Linda A. Watters,
Commissioner**

CONSENT ORDER

**I.
BACKGROUND**

Lake Shore Mortgage Company of Michigan Inc. ("Lake Shore"), is a Michigan domiciled corporation, organized under the laws of the State of Michigan, that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Robert Van Sile ("Respondent") is the President and sole shareholder of Lake Shore. Respondent is not presently licensed by the Office of Financial and Insurance Services ("OFIS") pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing

Lake Shore's application, OFIS staff determined that Respondent was already conducting mortgage-related activities, which require licensure as a mortgage broker under the MBLSLA. Respondent and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Respondent entered into an unwritten independent contractor arrangement with licensee, MGM Mortgage LLC, license no. FL-2346. The agreement began in May 2004. During this period, Respondent received 1099 income from MGM Mortgage LLC for originating mortgage loans.

2. Respondent's 1099 independent contractor compensation for year-end 2004 was \$8,000.00 from MGM Mortgage LLC.

3. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

4. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

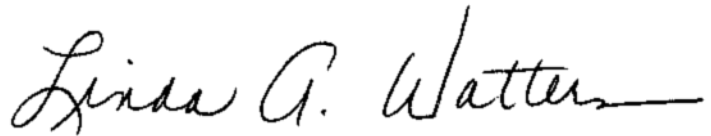
5. Respondent conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.

**III.
ORDER**

It is ORDERED that:

1. Respondent shall cease and desist violating sections 2(1) and 2(3) of the MBLSLA.
2. Respondent shall pay to OFIS an applicable civil penalty of \$500.00.
3. Respondent, as President and sole shareholder of Lake Shore, shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity conducted by Respondent.
4. Respondent, as President and sole shareholder of Lake Shore, shall educate himself and all employees of Lake Shore with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Respondent shall review and ensure that Lake Shore complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.
6. Respondent, as President and sole shareholder of Lake Shore, shall immediately designate a compliance officer for Lake Shore, and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Lake Shore is in compliance with all applicable state and federal laws. Respondent's written notice designating a compliance officer shall accompany Respondent's payment of a civil fine as provided for in Paragraph 2 of this Order. Respondent, as President and sole shareholder of Lake Shore, shall notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA. Failure by Respondent to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

A handwritten signature in black ink, reading "Linda A. Watters", followed by a horizontal line.

Linda A. Watters,
Commissioner

